



House of Representatives

General Assembly

File No. 58

February Session, 2012

Substitute House Bill No. 5314

House of Representatives, March 20, 2012

The Committee on Planning and Development reported through REP. GENTILE of the 104th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE JEOPARDY COLLECTION OF TAXES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-163 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2012, and*
3 *applicable to assessment years commencing on or after said date*):

4 (a) If, between the assessment date and the tax due date, any tax
5 collector, [believes] after exercising due diligence, determines that the
6 collection of any tax will be jeopardized by delay, he shall, subject to
7 the provisions of this section, collect such tax forthwith. He may
8 enforce collection thereof by using any one or more of the methods
9 provided in sections 12-155, 12-161 and 12-162, or in any other section
10 of the general statutes relating to the enforced collection of taxes. If the
11 amount of such tax has been definitely fixed by the rate maker, the
12 collector shall collect such amount. If the assessment of the property
13 represented by such tax has been fixed by the assessors but the tax rate
14 has not been laid, the collector shall, subject to the provisions of this

15 section, enforce collection of a tax obtained by multiplying the
16 assessment so fixed by the tax rate of the year next preceding. If
17 neither the assessment of the property nor the tax rate has been fixed,
18 the tax collector shall make application to the assessors for a valuation
19 on such property. The assessors shall forthwith assess such property
20 and the assessment placed upon such property by the assessors,
21 together with the tax rate of the year next preceding, shall be used by
22 the collector in determining the amount of tax to be collected. If, after
23 the payment of any tax in conformity with the provisions of this
24 section, it is found that the amount so paid is in excess of the amount
25 which would have been paid on the tax due date or after appeal to the
26 courts, the excess so paid shall be returned to the taxpayer upon
27 written application by him to the treasurer of the municipality. Such
28 written application shall contain a recital of the facts; shall show the
29 amount of rebate to which the applicant believes he is entitled; shall be
30 approved by the tax collector, and shall be made within the period of
31 one year from the date of the definite determination of such tax. The
32 person against whom jeopardy collection proceedings have been
33 begun may obtain a stay of collection of the whole or any part of the
34 amount of the tax so represented by such proceedings by filing with
35 the tax collector a bond in such an amount, not exceeding double the
36 amount as to which the stay is desired, and with such surety as the tax
37 collector deems necessary, conditioned upon the payment of so much
38 of the amount, the collection of which is stayed by the bond, as is
39 found to be due from such person when the grand list has been
40 completed and the tax rate fixed, or as is determined by the board of
41 assessment appeals or a court of competent jurisdiction after appeal to
42 it. The amount of the tax which is stayed by the bond shall be paid on
43 notice and demand of the tax collector, at any time after the tax due
44 date. The person subject to jeopardy collection proceedings, under the
45 provisions of this section, who has obtained a stay of collection in
46 whole or in part, shall have the right to waive such stay at any time in
47 respect to the whole or any part of the amount covered by the bond
48 and if, as the result of such waiver, any part of the amount covered by
49 the bond is paid, the bond shall, at the request of the taxpayer, be

50 proportionately reduced.

51 (b) Upon commencing a jeopardy tax collection proceeding, a tax
52 collector shall provide written notice of such collection proceeding to
53 (1) the chief elected official or chief executive officer of the
54 municipality in which the property is located, and (2) the taxpayer
55 subject to such collection proceeding. Such written notice shall contain
56 a detailed explanation supporting the tax collector's determination that
57 the collection of the tax will be jeopardized by delay.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-163
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Statement of Legislative Commissioners:

In the introductory paragraph of section 1, the "Section 1." was inserted for consistency of style.

PD *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 13 \$	FY 14 \$
Various Municipalities	Cost	Less than \$1,000	Less than \$1,000

Explanation

The bill requires tax collectors to provide certain written notices. To the extent to which notices are printed and mailed, the approximate cost to municipalities would be less than \$1,000.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5314*****AN ACT CONCERNING THE JEOPARDY COLLECTION OF TAXES.*****SUMMARY:**

This bill changes the process and adds a notice requirement for local tax collectors who take action to collect taxes that are assessed but not yet due (i.e., jeopardy tax collection).

Current law authorizes tax collectors to take immediate action to collect a tax that is assessed but not yet due when they believe payment may be jeopardized by delay. The bill instead requires that they take such action only if they determine, after exercising due diligence, the payment will be delayed. As under current law, the tax collector must use an existing collection method to enforce the payment.

The bill also requires local tax collectors to notify in writing the (1) taxpayer and (2) municipality's chief elected official or chief executive officer when beginning a jeopardy tax collection proceeding. The notice must explain in detail the basis for determining that the tax payment would be jeopardized by a delay.

By law, a taxpayer may protest a jeopardy tax collection by obtaining a stay by posting a bond and appealing to the board of assessment appeals or subsequently to a court.

EFFECTIVE DATE: October 1, 2012, and applicable to assessment years starting on or after that date.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 19 Nay 1 (03/07/2012)